

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEVADA**

In re: USA Commercial Mortgage Company

Case No. 06-10725-LBR

**CHAPTER 11  
MONTHLY OPERATING REPORT  
(GENERAL BUSINESS CASE)**

**SUMMARY OF FINANCIAL STATUS**

MONTH ENDED: Nov-12PETITION DATE: 04/13/06

1. Debtor in possession (or trustee) hereby submits this Monthly Operating Report on the Accrual Basis of accounting (or if checked here the Office of the U.S. Trustee or the Court has approved the Cash Basis of Accounting for the Debtor).

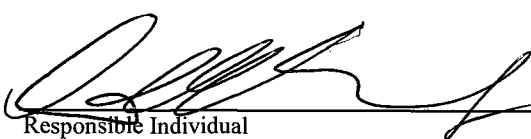
Dollars reported in \$1

	<u>End of Current Month</u>	<u>End of Prior Month</u>	<u>As of April 13, 2006</u>
<b>2. Asset and Liability Structure</b>			
a. Current Assets	\$0	\$0	
b. Total Assets	\$0	\$0	\$122,468,825
c. Current Liabilities	\$0	\$0	
d. Total Liabilities	\$0	\$0	\$61,634,630
<b>3. Statement of Cash Receipts &amp; Disbursements for Month</b>	<u>Current Month</u>	<u>Prior Month</u>	<u>Cumulative (Case to Date)</u>
a. Total Receipts	\$0	\$0	\$40,576,057
b. Total Disbursements	\$0	\$0	\$41,152,289
c. Excess (Deficiency) of Receipts Over Disbursements (a - b)	\$0	\$0	(\$576,232)
d. Cash Balance Beginning of Month	\$0	\$0	\$576,232
e. Cash Balance End of Month (c + d)	\$0	\$0	\$0
<b>4. Profit/(Loss) from the Statement of Operations</b>	<u>Current Month</u>	<u>Prior Month</u>	<u>Cumulative (Case to Date)</u>
5. Account Receivables (Pre and Post Petition)	\$0	\$0	
6. Post-Petition Liabilities	\$0	\$0	
7. Past Due Post-Petition Account Payables (over 30 days)	\$0	\$0	

## At the end of this reporting month:

- |  | <u>Yes</u> | <u>No</u> |
|--|------------|-----------|
| 8. Have any payments been made on pre-petition debt, other than payments in the normal course to secured creditors or lessors? (if yes, attach listing including date of payment, amount of payment and name of payee) |            | x         |
| 9. Have any payments been made to professionals? (if yes, attach listing including date of payment, amount of payment and name of payee)   |            | x         |
| 10. If the answer is yes to 8 or 9, were all such payments approved by the court?  |            |           |
| 11. Have any payments been made to officers, insiders, shareholders, relatives? (if yes, attach listing including date of payment, amount and reason for payment, and name of payee)                                   |            | x         |
| 12. Is the estate insured for replacement cost of assets and for general liability?  |            | x         |
| 13. Are a plan and disclosure statement on file?   | x          |           |
| 14. Was there any post-petition borrowing during this reporting period?  |            | x         |
15. Check if paid: Post-petition taxes x ; U.S. Trustee Quarterly Fees x ; Check if filing is current for: Post-petition tax reporting and tax returns: x .  
(Attach explanation, if post-petition taxes or U.S. Trustee Quarterly Fees are not paid current or if post-petition tax reporting and tax return filings are not current.)

I declare under penalty of perjury I have reviewed the above summary and attached financial statements, and after making reasonable inquiry believe these documents are correct.

Date: 12-20-12
  
Responsible Individual

## STATEMENT OF OPERATIONS

(General Business Case)

For the Month Ended 11/30/12

Current Month				Cumulative (Case to Date)	Next Month Forecast
Actual	Forecast	Variance			
		\$0	<b>Revenues:</b>		
		\$0	1 Gross Sales	\$21,102,796	
\$0	\$0	\$0	2 less: Sales Returns & Allowances		
\$0	\$0	\$0	3 Net Sales	\$21,102,796	\$0
\$0	\$0	\$0	4 less: Cost of Goods Sold (Schedule 'B')		
		\$0	5 Gross Profit	\$21,102,796	\$0
		\$0	6 Interest	\$369,663	
		\$0	7 Other Income:	\$8,044	
		\$0	8 Intercompany allocations	\$334,467	
		\$0	9 Gain on Sale of Assets	\$1,609,428	
\$0	\$0	\$0	10 <b>Total Revenues</b>	\$23,424,398	\$0
		\$0	<b>Expenses:</b>		
		\$0	11 Compensation to Owner(s)/Officer(s)		
		\$0	12 Salaries	\$1,774,342	
		\$0	13 Commissions	\$140,833	
		\$0	14 Contract Labor		
		\$0	Rent/Lease:		
		\$0	15 Personal Property	\$8,861	
		\$0	16 Real Property	\$543,557	
		\$0	17 Insurance	\$71,737	
		\$0	18 Management Fees		
		\$0	19 Depreciation	\$176,590	
		\$0	Taxes:		
		\$0	20 Employer Payroll Taxes	\$98,105	
		\$0	21 Real Property Taxes		
		\$0	22 Other Taxes	\$59,452	
		\$0	23 Other Selling	\$51,187	
		\$0	24 Other Administrative	\$1,144,651	
		\$0	25 Interest	\$4,556	
		\$0	26 Other Expenses:		
		\$0	27 Loss on Transfer to trustee	\$37,858,664	
		\$0	28		
		\$0	29		
		\$0	30		
		\$0	31		
		\$0	32		
		\$0	33		
		\$0	34		
\$0	\$0	\$0	35 <b>Total Expenses</b>	\$41,932,535	\$0
\$0	\$0	\$0	36 <b>Subtotal</b>	(\$18,508,137)	\$0
		\$0	<b>Reorganization Items:</b>		
		\$0	37 Professional Fees	(\$20,416,762)	
		\$0	38 Provisions for Rejected Executory Contracts		
		\$0	39 Interest Earned on Accumulated Cash from Resulting Chp 11 Case		
		\$0	40 Gain or (Loss) from Sale of Equipment		
		\$0	41 U.S. Trustee Quarterly Fees	(\$82,994)	
		\$0	42		
\$0	\$0	\$0	43 <b>Total Reorganization Items</b>	(\$20,499,756)	\$0
\$0	\$0	\$0	44 <b>Net Profit (Loss) Before Federal &amp; State Taxes</b>	(\$39,007,893)	\$0
		\$0	45 Federal & State Income Taxes		
\$0	\$0	\$0	46 <b>Net Profit (Loss)</b>	(\$39,007,893)	\$0

Attach an Explanation of Variance to Statement of Operations (For variances greater than +/- 10% only):

**BALANCE SHEET**  
**(General Business Case)**  
For the Month Ended 11/30/12

**Assets****From Schedules****Market Value****Current Assets**

1	Cash and cash equivalents - unrestricted		
2	Cash and cash equivalents - restricted		
3	Accounts receivable (net)	A	\$0
4	Inventory	B	\$0
5	Prepaid expenses		
6	Professional retainers		
7	Other: _____		
8	_____		
9	<b>Total Current Assets</b>		<b>\$0</b>

**Property and Equipment (Market Value)**

10	Real property	C	\$0
11	Machinery and equipment	D	\$0
12	Furniture and fixtures	D	\$0
13	Office equipment	D	\$0
14	Leasehold improvements	D	\$0
15	Vehicles	D	\$0
16	Other: _____	D	
17	_____	D	
18	_____	D	
19	_____	D	
20	_____	D	
21	<b>Total Property and Equipment</b>		<b>\$0</b>

**Other Assets**

22	Loans to shareholders		
23	Loans to affiliates		
24	_____		
25	_____		
26	_____		
27	_____		
28	<b>Total Other Assets</b>		<b>\$0</b>
29	<b>Total Assets</b>		<b>\$0</b>

**NOTE:**

Indicate the method used to estimate the market value of assets (e.g., appraisals; familiarity with comparable market prices, etc.) and the date the value was determined.

**Liabilities and Equity**  
(General Business Case)

**Liabilities From Schedules**

**Post-Petition**

**Current Liabilities**

30	Salaries and wages		
31	Payroll taxes		
32	Real and personal property taxes		
33	Income taxes		
34	Sales taxes		
35	Notes payable (short term)		
36	Accounts payable (trade)	A	\$0
37	Real property lease arrearage		
38	Personal property lease arrearage		
39	Accrued professional fees		
40	Current portion of long-term post-petition debt (due within 12 months)		
41	Other:		
42			
43			
44	<b>Total Current Liabilities</b>		<b>\$0</b>

**Long-Term Post-Petition Debt, Net of Current Portion**

45			
46	<b>Total Post-Petition Liabilities</b>		<b>\$0</b>

**Pre-Petition Liabilities (allowed amount)**

47	Secured claims	F	\$0
48	Priority unsecured claims	F	\$0
49	General unsecured claims	F	\$0
50	<b>Total Pre-Petition Liabilities</b>		<b>\$0</b>
51	<b>Total Liabilities</b>		<b>\$0</b>

**Equity (Deficit)**

52	Retained Earnings/(Deficit) at time of filing		\$38,932,893
53	Capital Stock		\$75,000
54	Additional paid-in capital		
55	Cumulative profit/(loss) since filing of case		(\$39,007,893)
56	Post-petition contributions/(distributions) or (draws)		
57			
58	Market value adjustment		
59	<b>Total Equity (Deficit)</b>		<b>\$0</b>
60	<b>Total Liabilities and Equity (Deficit)</b>		<b>\$0</b>

**SCHEDULES TO THE BALANCE SHEET**  
(General Business Case)

**Schedule A**

**Accounts Receivable and (Net) Payable**

<b>Receivables and Payables Agings</b>	<b>Accounts Receivable [Pre and Post Petition]</b>	<b>Accounts Payable [Post Petition]</b>	<b>Past Due Post Petition Debt</b>
0 -30 Days			
31-60 Days			
61-90 Days			\$0
91+ Days			
Total accounts receivable/payable	\$0	\$0	
Allowance for doubtful accounts			
Accounts receivable (net)	\$0		

**Schedule B**

**Inventory/Cost of Goods Sold**

<b>Types and Amount of Inventory(ies)</b>	<b>Inventory(ies) Balance at End of Month</b>	<b>Cost of Goods Sold</b>	
		<b>Inventory Beginning of Month</b>	
		Add -	
Retail/Restaurants -		Net purchase	
Product for resale		Direct labor	
		Manufacturing overhead	
Distribution -		Freight in	
Products for resale		Other:	
Manufacturer -			
Raw Materials			
Work-in-progress		Less -	
Finished goods		Inventory End of Month	
		Shrinkage	
Other - Explain		Personal Use	
		Cost of Goods Sold	\$0
<b>TOTAL</b>	\$0		

**Method of Inventory Control**

Do you have a functioning perpetual inventory system?

Yes \_\_\_\_\_ No \_\_\_\_\_

How often do you take a complete physical inventory?

Weekly \_\_\_\_\_  
 Monthly \_\_\_\_\_  
 Quarterly \_\_\_\_\_  
 Semi-annually \_\_\_\_\_  
 Annually \_\_\_\_\_

Date of last physical inventory was \_\_\_\_\_

Date of next physical inventory is \_\_\_\_\_

**Inventory Valuation Methods**

Indicate by a checkmark method of inventory used.

Valuation methods -

FIFO cost \_\_\_\_\_  
 LIFO cost \_\_\_\_\_  
 Lower of cost or market \_\_\_\_\_  
 Retail method \_\_\_\_\_  
 Other \_\_\_\_\_  
 Explain \_\_\_\_\_

**Schedule C**  
**Real Property**

Description	<u>Cost</u>	<u>Market Value</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total	\$0	\$0

**Schedule D**  
**Other Depreciable Assets**

Description	<u>Cost</u>	<u>Market Value</u>
Machinery & Equipment -		
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total	\$0	\$0

Furniture & Fixtures -		
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total	\$0	\$0

Office Equipment -		
_____	_____	_____
_____	_____	_____
Total	\$0	\$0

Leasehold Improvements -		
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total	\$0	\$0

Vehicles -		
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total	\$0	\$0

**Schedule E**  
**Aging of Post-Petition Taxes**  
**(As of End of the Current Reporting Period)**

<b>Taxes Payable</b>	<b><u>0-30 Days</u></b>	<b><u>31-60 Days</u></b>	<b><u>61-90 Days</u></b>	<b><u>91+ Days</u></b>	<b><u>Total</u></b>
<b>Federal</b>					
Income Tax Withholding					\$0
FICA - Employee					\$0
FICA - Employer					\$0
Unemployment (FUTA)					\$0
Income					\$0
Other (Attach List)					\$0
<b>Total Federal Taxes</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>State and Local</b>					
Income Tax Withholding					\$0
Unemployment (UT)					\$0
Disability Insurance (DI)					\$0
Empl. Training Tax (ETT)					\$0
Sales					\$0
Excise					\$0
Real property					\$0
Personal property					\$0
Income					\$0
Other (Attach List)					\$0
<b>Total State &amp; Local Taxes</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Taxes</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Schedule F**  
**Pre-Petition Liabilities**

**List Total Claims For Each Classification -**

	<b><u>Claimed Amount</u></b>	<b><u>Allowed Amount (b)</u></b>
Secured claims (a)		
Priority claims other than taxes		
Priority tax claims		
General unsecured claims		

- (a) List total amount of claims even if under secured.
- (b) Estimated amount of claim to be allowed after compromise or litigation. As an example, you are a defendant in a lawsuit alleging damage of \$10,000,000 and a proof of claim is filed in that amount. You believe that you can settle the case for a claim of \$3,000,000. For Schedule F reporting purposes you should list \$10,000,000 as the Claimed Amount and \$3,000,000 as the Allowed Amount.

**Schedule G**  
**Rental Income Information**  
**Not applicable to General Business Cases**

**Schedule H**  
**Recapitulation of Funds Held at End of Month**

	<b><u>Account 1</u></b>	<b><u>Account 2</u></b>	<b><u>Account 3</u></b>	<b><u>Account 4</u></b>
Bank				
Account Type				
Account No.				
Account Purpose				
Balance, End of Month				
<b>Total Funds on Hand for all Accounts</b>	<b>\$0</b>			

Attach copies of the month end bank statement(s), reconciliation(s), and the check register(s) to the Monthly Operating Report.

**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**

Increase/(Decrease) in Cash and Cash Equivalents

For the Month Ended 11/30/12

	Actual Current Month	Cumulative (Case to Date)
<b>Cash Receipts</b>		
1 Rent/Leases Collected		
2 Cash Received from Sales		\$7,861,555
3 Interest Received		\$559,259
4 Borrowings		
5 Funds from Shareholders, Partners, or Other Insiders		\$5,000
6 Capital Contributions		
7 Management Fees from USA Capital Realty Advisors, LLC		\$1,564,093
8 Tax, Secuirty Deposit, and Other Refunds		\$8,929
9 Principal Received on Notes Receivable		\$82,832
10 Escrow Deposit/ Sale Proceeds/ Effective Date transfer		\$30,494,389
11		
12 <b>Total Cash Receipts</b>	\$0	\$40,576,057
<b>Cash Disbursements</b>		
13 Payments for Inventory		
14 Selling		\$2,619
15 Administrative		\$1,104,247
16 Capital Expenditures		
17 Principal Payments on Debt		\$150,645
18 Interest Paid		\$4,888
Rent/Lease:		9963
19 Personal Property		\$569,426
20 Real Property		
Amount Paid to Owner(s)/Officer(s)		
21 Salaries		
22 Draws		
23 Commissions/Royalties		
24 Expense Reimbursements		
25 Other		
26 Salaries/Commissions (less employee withholding)		\$1,740,393
27 Management Fees		
Taxes:		\$213,091
28 Employee Withholding		\$94,063
29 Employer Payroll Taxes		
30 Real Property Taxes		\$78,889
31 Other Taxes		
32 Other Cash Outflows:		\$19,806,828
33 Professional Fees Paid in Connection with Chpater 11 Case		\$82,742
34 US Trustee Quarterly Fees		\$10,263,353
35 Escrow Deposit/ Interpleader Settlement/ Transfer to Trustee		\$7,031,142
36 DTDF & PBGC Settlement		
37		
38 <b>Total Cash Disbursements:</b>	\$0	\$41,152,289
39 <b>Net Increase (Decrease) in Cash</b>	\$0	(\$576,232)
40 <b>Cash Balance, Beginning of Period</b>		\$576,231
41 <b>Cash Balance, End of Period</b>	\$0	\$0



**STATEMENT OF CASH FLOWS**  
**(Optional) Increase/(Decrease) in Cash and Cash Equivalents**  
**For the Month Ended 11/30/12**

		<b>Actual</b>	<b>Cumulative</b>
		<b>Current Month</b>	<b>(Case to Date)</b>
<b>Cash Flows From Operating Activities</b>			
1	Cash Received from Sales		\$7,861,555
2	Rent/Leases Collected		
3	Interest Received		\$559,259
4	Cash Paid to Suppliers		
5	Cash Paid for Selling Expenses		\$2,619
6	Cash Paid for Administrative Expenses		\$1,104,247
	Cash Paid for Rents/Leases:		
7	Personal Property		\$9,963
8	Real Property		\$569,426
9	Cash Paid for Interest		\$4,888
10	Cash Paid for Net Payroll and Benefits		\$1,740,393
	Cash Paid to Owner(s)/Officer(s)		
11	Salaries		
12	Draws		
13	Commissions/Royalties		
14	Expense Reimbursements		
15	Other		
	Cash Paid for Taxes Paid/Deposited to Tax Acct.		
16	Employer Payroll Tax		\$94,063
17	Employee Withholdings		\$213,091
18	Real Property Taxes		
19	Other Taxes		\$78,889
20	Cash Paid for General Expenses		
21	Management Fees from USA Capital Realty Advisors, LLC		(\$1,564,093)
22	Tax, Security Deposit, and Other Refunds		(\$8,929)
23	Principal Received on Notes Receivable		(\$82,832)
24			\$0
25			
26			
27	<b>Net Cash Provided (Used) by Operating Activities before Reorganization Items</b>	\$0	\$6,259,089
<b>Cash Flows From Reorganization Items</b>			
28	Interest Received on Cash Accumulated Due to Chp 11 Case		
29	Professional Fees Paid for Services in Connection with Chp 11 Case		\$19,806,828
30	U.S. Trustee Quarterly Fees		\$82,742
31			(\$13,199,894)
32	<b>Net Cash Provided (Used) by Reorganization Items</b>	\$0	(\$6,689,676)
33	<b>Net Cash Provided (Used) for Operating Activities and Reorganization Items</b>	\$0	(\$430,587)
<b>Cash Flows From Investing Activities</b>			
34	Capital Expenditures		
35	Proceeds from Sales of Capital Goods due to Chp 11 Case		
36			
37	<b>Net Cash Provided (Used) by Investing Activities</b>	\$0	\$0
<b>Cash Flows From Financing Activities</b>			
38	Net Borrowings (Except Insiders)		
39	Net Borrowings from Shareholders, Partners, or Other Insiders		\$5,000
40	Capital Contributions		
41	Principal Payments		\$150,645
42			
43	<b>Net Cash Provided (Used) by Financing Activities</b>	\$0	(\$145,645)
44	<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	\$0	(\$576,232)
45	<b>Cash and Cash Equivalents at Beginning of Month</b>		\$576,231
46	<b>Cash and Cash Equivalents at End of Month</b>	\$0	\$0